



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(Research, Development and Acquisition)
WASHINGTON, D.C. 20350-1000

8 Aug 1995

MEMORANDUM FOR DISTRIBUTION

Subj: PURCHASE OF FEDERAL INFORMATION PROCESSING RESOURCES FROM
NON-FEDERAL AGENCIES

- Ref: (a) NAVAUDSVC Audit Report, "Federal Information Processing Resource Acquisitions Made Through a North Atlantic Treaty Organization Subsidiary" (043-95) of 30 May 95
- (b) SECNAVINST 7300.29B, "Mutual Logistics Support Between the United States and Governments of NATO Countries, NATO Subsidiary Bodies, and Other Eligible Foreign Countries" of 6 Sep 89
- (c) DODD 2010.9, "Mutual Logistics Support Between the United States and Governments of Eligible Countries and NATO Subsidiary Bodies" of 30 Sep 88
- (d) Deputy ABM, OASN(RD&A), memo of 23 Jan 95, subj: Delegation of Approval Authority for Economy Act Determinations

Reference (a) reported instances of Department of the Navy activities bypassing normal acquisition channels and acquiring Federal Information Processing (FIP) resources from non-Federal agencies without statutory or other legal authority. In particular, FIP resources had improperly been acquired under basic ordering agreements (BOAS) issued by the North Atlantic Treaty Organization (NATO) Communications and Information Systems Agency (NACISA) in Brussels, Belgium.

These acquisitions were not covered by the "NATO Mutual Support Act", Title 10, U.S. Code 2341-50, as implemented by references (b) and (c). These authorities define limited circumstances under which DoD may acquire direct logistics support (such as petroleum, billeting, food, and other specifically identified supplies and services) from NATO and NATO subsidiary bodies for forces deployed outside the U.S. The Economy Act, Title 31, U.S. Code 1535, was inapplicable because NATO is an international organization and not an agency of the United States Government. In addition, NACISA procurements are not conducted under the Federal Acquisition Regulation or the Federal Information Resources Management Regulation and do not meet the requirements of either the Brooks Act, Title 40, U.S. Code 759, or Title 10, Chapter 137 of the U.S. Code.

Effective immediately, approval must be obtained from the Assistant Secretary of the Navy (Research, Development and Acquisition), Deputy for Acquisition and Business Management prior to issuing procurement requests to non-Federal agencies for

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FIP resources. Approval requests must cite the legal authority for the acquisition and must be reviewed by legal counsel prior to submittal for approval. This procedure does not affect the approval authorities or conditions for Economy Act determinations set forth in reference (d), which remain in effect, and does not apply to contracts or grants executed by warranted Navy contracting or grant officers.

Please ensure that this memorandum is given wide distribution to all program, financial and contracting personnel under your command. My point of contact at **OASN(RD&A)** ABM is Mr. Joseph Sousa who may be reached at (703) 602-2501 or DSN 332-2501.

Elliott B. Branch

Elliott B. Branch
Executive Director
Acquisition & Business
Management

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